GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5777
ANSWERED ON:03.05.2002
INCORRECT VALUATION OF IMMOVABLE PROPERTIES
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) Whether C&AGi n its Report N0.12 of1999 (Direct Taxes) has unearthed some cases of incorrect valuation of immovable properties in wealth tax returns ;

(b) if so, the details of such cases detected during the last three years ; and (

(c) the action has been initiated against the erring officials for short levy of taxes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes sir.

(b) The details of such cases as reported by C&AG arefurnished as per statement enclosed. This Report of the C&AG is being examined in the CBDT and also in the field formations with a view to give parawise reply to C&AG and to determine the correctness or otherwise of such audit observations.

(c) CBDT has already issued instructions to the Assessing Officers/FieldFormations to take due care in assessment and to avoid mistakes. There is also a monitoring system where the ledger cards regarding mistakes committed are maintained and the explanations of the officers concerned are called for where they are found to have committed such mistakes. The Director of Income-Tax (Audit) oversees the audit work and prescribes checklists for guidance of the Assessing Officers.

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Part (b) Details of incorrect valuation of immovable properties in Wealth Tax Returns as per C&AG Reports.

A.Report No.12 of 1999

S.No.	Name of the case	CIT-Charge	Asst.Year	Tax Effect (Rs. In Lacs)	Remarks
1.	R.N.Billimoria	Kolhapur	1981-82 to 1988-89	13.14	Not Accepted
2.	B.N.Billimoria	Kolhapur	1981-82 to 1988-89		
3.	M/s. The Union Company Motors Ltd.	T.N-1, Chennai	1990-91 & 1991-92	52.34	Not Accepted

B.Report No.12 of 2000/2001 -NIL-

C. Report No.12 of 2002

1.	M/s. The Wheel &	T.N.1,	1990-01	5.05	Under

Rim Co. of India	Chennai	Examination		

D. Report No.12A of 2001

1. M/s. DBS Financial Services Pvt. Ltd.	Mumbai-IV	1996-97	29.65	Under Examination
2. M/s. Tea Trading and Exports (P) Ltd.	Guwahati	1994-95	24.50	Under Examination

C&AG reported similar mistakes vide page 12 of report No.12A of 2001 as per details given below:-

S.No.	State	No. of cases	Short levy of tax (Rs.In lacs)	Remarks
1.	Mumbai	77	296.70	Under Examination
2.	Karnataka	12	17.02	-do-
3.	Tamil Nadu	10	17.38	-do-
4.	Uttar Pradesh	52	130.67	-do-
5.	West Bengal	1	1.19	-do-
6.	Andhra Pradesh	5	3.60	-do-
7	Himachal Pradesh	7	9.14	-do-
Total		164	475.70	